

E-L FINANCIAL CORPORATION LIMITED

1973 Annual Report

Operating and Financial Highlights

1973 was the fifth complete year of operations of the Company.
A summary of the Company's financial progress is presented below.

	1973	1972	1971	1970	1969
Net Premiums - - - - - \$	67,732,211	\$ 57,570,109	\$ 52,408,815	\$ 48,024,229	\$ 41,256,139
Total Revenues - - - - -	81,221,240	69,403,765	63,007,805	57,636,888	49,965,511
Operating Income before taxes	4,131,535	5,544,517	3,647,433	3,013,663	2,264,572
Net Operating Income after taxes - - - - -	2,911,339	3,879,877	2,194,539	2,213,195	1,626,488
Earnings per share**					
Net Operating Income - - - \$.86	\$ 1.16	\$.66	\$.66	\$.49
Net Earnings including capital gains and extraordinary items - -	1.28	1.31	.75	.78	.61
Total Assets - - - - - \$	234,926,079	\$ 212,319,068	\$ 192,804,453	\$ 178,203,655	\$ 161,787,142
Shareholders' Equity (Book Values) - - - - -	34,706,540	30,823,983	27,006,770	24,655,998	21,447,242
Insurance in Force*					
Individual Lives - - - - - \$	994,659,000	\$ 901,541,000	\$ 835,631,000	\$ 795,663,000	\$ 757,226,000
Group - - - - -	642,905,000	495,460,000	469,876,000	442,493,000	398,309,000
Total Insurance in Force* - - -	\$1,637,564,000	\$1,397,001,000	\$1,305,507,000	\$1,238,156,000	\$1,155,535,000

**After full conversion of Company's preferred shares.

*Net of reinsurance.

Board of Directors

HON. LOUIS P. BEAUBIEN	HENRY R. JACKMAN, O.C., C.ST.J., Q.C.
E. KENDALL CORK	W. LEO KNOWLTON, Q.C.
JAMES V. EMORY	HENRY E. LANGFORD, Q.C.
PETER S. GOODERHAM	ROBERT M. MACINTOSH
H. NORMAN HANLY	BRIAN R. B. MAGEE
KENNETH G. HUTCHISON	RT. HON. D. ROLAND MICHENER, C.C., C.M.M., C.D., P.C., Q.C., LL.D., D.C.L.
HAL N. R. JACKMAN	J. STUART M. WASON, F.F.A., F.C.I.A., A.S.A.

Officers

HAL N. R. JACKMAN	PRESIDENT
KENNETH G. HUTCHISON	VICE-PRESIDENT
J. STUART M. WASON, F.F.A., F.C.I.A., A.S.A.	VICE-PRESIDENT

Remarks of the President

MR. HAL N. R. JACKMAN

It is my pleasure to present the annual report of E-L Financial Corporation for the year ended December 31, 1973.

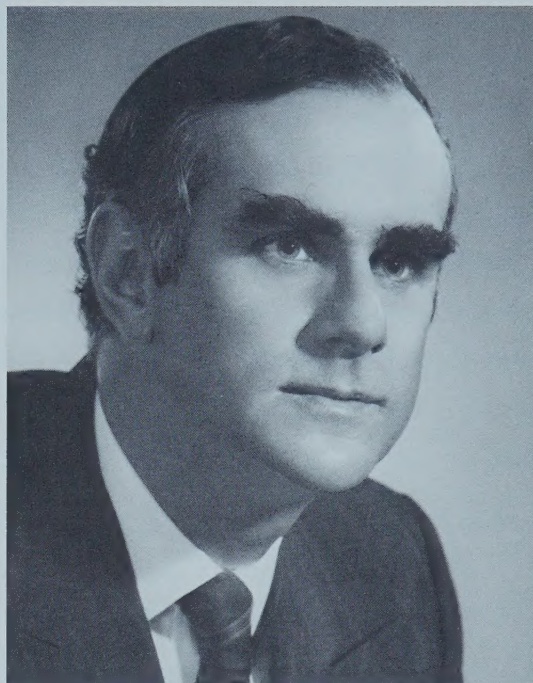
E-L Financial Corporation continued to expand and meet the increasing need for a wide range of insurance and financial services. Premium and investment income, total assets and shareholders' equity all achieved record levels.

FINANCIAL RESULTS

Statutory operating earnings amounted to \$2,911,000, or 86¢ per share, compared with \$3,880,000, or \$1.16 per share, for 1972. If, however, capital gains on the sale of investments are included, earnings are the equivalent of \$1.28 per share compared with \$1.31 per share for the previous year. These earnings figures per share have been calculated after assuming full conversion of our Company's preferred stock.

General insurance net written premiums totalled \$40,093,000 a satisfactory increase of 12.3% over the previous year. 1973 was a difficult year for general insurance underwriters and, for the first time in nine years, your Company reported a small underwriting loss. The adversities of 1973 will ultimately force corrections to rate levels in the property classes while the industry is anxiously awaiting the introduction of the "no-fault" plan for automobile insurance which will hopefully result in savings to policyholders and insurers alike.

Our two life insurance subsidiaries both experienced record volumes of new business with sales on individual lives total-ling \$163 million, an increase of 30% over 1972. Sales of



group life and annuity policies, including Empire Life's "mass merchandized" pension products, totalled \$113 million—almost four times the amount of group business placed in the previous year.

According to the statutory basis of accounting required of life insurance companies, referred to in note 1 to our balance sheet, the full acquisition costs of this potentially profitable new business is written off in the year incurred thus decreasing reported earnings. Reflecting this growth in new business, statutory earnings of our life insurance operations were slightly lower than in 1972 when growth in new business was more modest.

The total amount of life insurance in force of our two subsidiaries was \$1,637 million net of reinsurance as of the year end. Of this amount, \$994 million was on individual lives and \$643 million was group insurance.

E-L Investment Management Limited, the Company's wholly-owned investment counselling subsidiary, continued to expand during 1973. Gross fees from pension funds and individual clients grew by 35% during the year and now total more than three times the amount grossed in 1969, the first full year of the subsidiary's operation. The investment performance of our segregated equity funds continued to out perform the industry averages.

INFLATION

The most critical threat to the future growth of the insurance industry, as well as to the future of Canada, is inflation. In this report, I wish to comment on a few aspects of this insidious force that I believe is undermining the lifestyle of many Canadians and is shaking their confidence in the stability and justice of our nation's social and economic order.

... value of savings eroded ...

Most Canadian individuals and families are now grossly underprotected against the possible misfortunes of the future because the face value of their insurance policies and other savings have been eroded by inflation. Consequently, there is a trend within the industry, particularly in the pension field, to vary premiums and benefits on a basis which will reflect the increase in the cost of living, as a means of maintaining the value of their insurance investment in constant dollars.

The practice of indexing as a cushion against inflation has already gained wide popularity. The personal income tax, pensions, family allowances and many labour contracts and business agreements are now indexed in this way.

While indexing may be a moderating influence for those who benefit directly from these agreements, it is not a solution to the problem of inflation. I am disturbed by the prevalence of indexing for it creates a false confidence, based on some arithmetical magic, that inflation is no longer a concern. It, in fact, acknowledges inflation as a fact of life. It feeds the most dangerous inflationary cause of all—the anticipation of even greater price increases and declining purchasing power.

... growth in money supply the cause ...

The popularity of indexing focusses public attention on the movements of the Consumer Price Index and thus diverts public questioning from a more significant inflationary gauge—the uncontrolled growth in Canada's money supply during the past few years.

Economists are generally agreed that the inflation we are now experiencing could not have happened without a similarly greater expansion in the money supply. It is obvious that uncontrolled monetary growth fuels inflationary pressures.

During the period 1953 to 1963, the Consumer Price Index rose by between 1% and 2% per year. This was a period when the money supply generally grew at a rate of 5% to 6%, an annual rate roughly equivalent to the growth in our Gross National Product.

By 1971, however, the price index was rising by five percent, 5.1% in 1972, 9.1% last year, an even higher rate is expected for 1974.

The direct relationship between the increase in the cost of living and the growth in money supply is striking. Since 1970, the money supply has increased at a rate out of all propor-

tion to its historical patterns:—16.6% in 1971, 16.8% in 1972 and 14.6% last year. These are rates of growth well above the real growth in our economy. The record is unmis-
takingly clear that over the past few years the federal govern-
ment has itself greatly increased inflationary pressures.

... turn off the printing presses ...

One of the most important solutions to galloping inflation in
Canada must therefore be to turn off the printing presses in
Ottawa and bring some stability into the rate of growth in
money supply. Why, then, does the government not do this?
I can only suggest that it avoids such a fundamental and
sound decision because it would be unpopular. Govern-
ments, business and the consumer all have a vested interest
in a growing money supply as it provides easy credit and
makes unlimited money readily available for consumer and
government spending as well as business investment. How-
ever the ability to overspend by government in particular and
by society in general, is an indulgent expression of the current
inflationary psychosis sweeping Canada. This is home-
grown inflation for which Canadians are responsible.

... wage and price controls—the dangers ...

Wage and price controls have also been discussed as a possi-
ble remedy for inflation and have been tried with varying
degrees of success in Western nations. Wage and price
controls can never be a permanent solution in a free market
economy as ultimately they will distort supply-demand
relationships and cause shortages that can worsen the situa-
tion they were designed to correct. If however, as the
OECD has suggested, Canada's rate of inflation is caused in
part by past history and inflationary expectations, then
permanent benefits might be gained if controls could break
the inflationary psychology.

However, in considering wage and price controls, it must
be remembered that it is the government itself which is chief
culprit in creating excess demand pressures as it is primarily
to accommodate growth in public spending that our money
supply has been allowed to expand. Since 1968 total govern-
ment spending as a percentage of the G.N.P. has grown from
32% to close to 40%. For the year ended March 31, 1974,
government expenditures will be up by an estimated 29%.
Any suggestion on the part of government that wage and
price controls should apply to the private sector would be
cynical and self-defeating unless coupled with a clear and
obvious resolution that government demands will likewise
be moderated. For a government to impose controls with-
out a corresponding measure of self-discipline would destroy
the measure of public acceptance that will be necessary if
controls are to have any chance of success.

Ultimately the answer to the problem of inflation must be
found in reducing the rate of growth in the money supply.
It should be emphasized that reducing the money supply
now will not temper inflation immediately. It is a long-term
solution towards stability that would not have economic
impact for, perhaps, as long as two years. But in the present
vacuum of a federal government strategy, we can expect
inflation to be with us for several years to come. I suggest
that indexing and price and wage controls are two short-
term solutions and should only be considered as temporary
measures if they can break the inflationary psychosis. Con-
trolled growth of the money supply is a long-term solution
that must be taken now in concert with other clearly defined
and widely understood anti-inflationary measures.

... inflation impedes the investment function ...

The insurance industry is, by its very nature, a professional

custodian of savings. Of all the financial intermediaries, it has the greatest capacity for generating long-term investment capital. Inflation and its inherent uncertainties are seriously impeding the effectiveness of our investment function. Investors are ignoring the traditional investment in stocks and bonds, as they scramble for the apparently more tangible hedges against inflation, such as commodities and real estate. This flight of the investor is particularly alarming at a time when we have moved into a period of growing supply shortages and urgently need increased investment in new production facilities.

It is crucial that the federal government create a climate of confidence in Canada's future by dealing quickly and severely with inflation. A sense of stability is required in our capital markets if we are to increase the nation's productivity.

While temporary wage and price controls cannot be rejected out of hand, I suggest that a drastic reduction in the rate of growth in money supply, reduced government spending and the redirection of available capital to the productive sectors of our economy, where goods and jobs can be created most effectively, are among the appropriate measures needed to restore confidence in Canada. Inflation must be put in its place. While business and consumer alike have a supportive role to play in achieving this objective, the leadership and co-ordination of such policies can only come from the federal government.

OFFICERS AND DIRECTORS

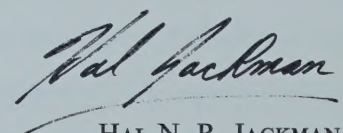
During the past twelve months, E-L Financial Corporation and particularly our colleagues in Empire Life were saddened by the death of two of our directors, Herbert H. Blakeman, F.S.A., F.C.I.A., and N. Donald McDonald, M.B.E.,

F.L.M.I. Both of these men had served as President of Empire Life Insurance Company. Herbert Blakeman was President of Empire Life from 1967-1970 and at the time of his death held the designation of "Honorary President" and was a continuing member of the Board of Directors of E-L Financial. N. Donald McDonald had been President of Empire Life from 1970 right up to the time of his death. Both men had spent almost their entire working years with Empire Life and to a large measure were responsible for the Company's present health and vitality.

Effective July 1, 1973, Mr. J. Stuart M. Wason, F.F.A., F.C.I.A., A.S.A., was appointed President of Empire Life and elected to the Board of Directors and appointed a Vice-President of E-L Financial Corporation. Mr. Wason continues in his position as Managing Director—Life Insurance of The Dominion of Canada General Group.

It is with pleasure that we welcome to the Board of E-L Financial and its subsidiary companies the Right Honourable D. Roland Michener, C.C., C.M.M., C.D., P.C., Q.C., LL.D., D.C.L., former Governor General of Canada. Prior to being Governor General, Mr. Michener had served as a director of Empire Life so that it is with added pleasure that we welcome him back into our councils.

In closing, I would like to thank all our agents and employees whose co-operation and loyal support are responsible for our continuing success. To each and every one, we extend our sincere appreciation.



HAL N. R. JACKMAN
President
E-L Financial Corporation



THE DOMINION OF CANADA GENERAL INSURANCE COMPANY



Report on General Insurance Operations

MR. KENNETH G. HUTCHISON

With premium income increasing by 12.3% to forty million dollars, 1973 was a year of substantial growth for the general insurance operations of this Company and its subsidiary, the Casualty Company of Canada. A modest profit in the automobile and casualty classes was offset by an unusual frequency and severity of property insurance claims for fire, windstorm and hail damage, the latter mainly in Ontario and Manitoba, resulting in an over-all statutory underwriting loss of \$132,000 for the year. However with investment earnings and gain on sale of investments, our after tax net income was up \$240,000 over 1972.

In a year when the general insurance industry has sustained record breaking underwriting losses in Canada, the underwriting performance of our Company Group again reflects a better than average portfolio of business, which continues to be our main objective.

The British Columbia government monopoly auto insurance plan is now officially in operation, with much confusion and criticism, however it will probably survive. As a Canadian company, we plan to stay in British Columbia, re-building upon a base of \$1 million fire and casualty business. Our Winnipeg branch, concentrating on non-auto lines and development of business in North Western Ontario, should this year exceed its volume prior to the government takeover of auto insurance in Manitoba.

Rapid growth, 33% in 1973 to over \$2 million, continued in our Atlantic Provinces business however there are now signs that this is slowing to a more normal rate of increase.

Through the Insurance Bureau of Canada, we are working with Governments in the seven free enterprise Provinces toward agreement on a new plan of automobile injury and damage reparations designed to replace the current, costly, complex, adversary system. Also in the planning stage is a network of cooperative drive-in auto damage appraisal centres to better serve the consumer.



To meet a growing demand from agents, our systems group is engaged in developing a program of direct billing for personal lines premiums. We are also involved in detailed examination of our rate making practices and affiliations, aimed at improved profitability.

The outlook for 1974 has some bright spots. The adversities of 1973 will ultimately force corrections in rate levels in the property classes while the fuel shortage, less effective here than in the U.S.A., should nevertheless tend to curtail driving and speed and hence auto accidents. These elements, together with steps already taken to combat inflation and to concentrate on profitability should produce improved underwriting results by 1975, possibly earlier.

On behalf of the Directors we extend a sincere vote of thanks to our supporting Agents coast to coast and to each member of our Staff, for a job well done.

KENNETH G. HUTCHISON
President & Managing Director—General Insurance
The Dominion of Canada General Insurance Company



THE EMPIRE LIFE INSURANCE COMPANY

Report on Life Insurance Operations

MR. J. STUART M. WASON, F.F.A., F.C.I.A., A.S.A.

1973 was a year of significant achievement for both the Empire Life and for the Life Section of the Dominion of Canada General Insurance Company. On 11 January 1973 Empire Life celebrated its 50th Anniversary and began its second half-century of service to Canadian policyowners.

From a marketing point of view the year was very successful. The growth in participating sales reported by Empire Life in 1972 was maintained and this was accompanied by an impressive increase in non-par business from the mass-marketing and group organization. The Dominion of Canada General, which writes only non-participating lines, also had a record-breaking year and had already surpassed its record production of 1972 by the fall. New business written by the two companies combined exceeded \$276 million, an increase of 75% over 1972. Business in force net of reinsurance ceded amounted to a combined \$1.6 billion at year-end.

As a result of the strong interest shown in annuities which can be used for income tax deferment, new premium income increased very substantially. Total life insurance premium income for the two companies increased by 26% to \$27 million. Investment income also showed a substantial increase bringing revenue for the year to \$38 million, up 22% from 1972.

We continue to provide life insurance services and to protect an increasing number of Canadian policyowners. In 1973 \$26 million was paid or set aside to meet future commitments to policyowners or their beneficiaries. We recognize the need for good service and effective communication if the thrust of our development is to be maintained. The persistency of our business continues to be excellent and it is a reflection of the sincere efforts of our agents and staff to render effective service. The mortality experience of the two companies was within the normal range expected but the disability experience was unfavourable and we were subjected to heavier than normal claims towards the end of the year.

Throughout 1973 the cost of doing business was affected by continuing inflation with rising prices being felt in nearly every area. This combined with the cost of underwriting a record amount of new business had a marked effect upon



operating expenses. Every effort is being made to contain and to minimize the adverse effects of these pressures. The continuation of high interest rates had a positive effect upon investment earnings, however, and the net rate of interest earned increased to 6.89%, an increase of one half of one percent in three years.

The substantial acquisition costs of new life insurance and annuity business are charged as they are incurred and our considerable investment in new business in 1973 had the effect of deferring profit into the future. After making allowance for income taxes and dividends to policyowners the net operating profit amounted to \$738,000. At the year-end total life insurance assets exceeded \$171 million.

On behalf of the Directors I would like to extend to all of our Field force and staff sincere appreciation for the contributions which they made to the growth in our life insurance operations in 1973. We face the challenges of the future with confidence and anticipation.

J. S. M. WASON
President
The Empire Life Insurance Company

Consolidated Statement of Income

YEAR ENDED DECEMBER 31, 1973
(with comparative figures for 1972)

	1973	1972
	(note 8)	
Premium income - - - - -	\$67,732,211	\$57,570,109
Investment and other income (note 3) - - - - -	13,489,029	11,947,718
	<u>81,221,240</u>	<u>69,517,827</u>
Deduct		
Claims incurred - - - - -	31,485,630	25,687,584
Other benefits to policyholders - - - - -	8,068,355	6,383,528
Increase in policy and unearned premium reserves - - -	12,948,655	11,413,304
Agents' commissions - - - - -	9,333,036	7,873,426
Operating expenses - - - - -	11,561,251	9,677,823
Taxes other than income taxes - - - - -	1,346,249	1,236,674
Premiums transferred to segregated fund - - - - -	2,211,149	940,393
Policyholders' and minority shareholders' portion of income -	135,380	620,546
	<u>77,089,705</u>	<u>63,833,278</u>
Operating income before income taxes - - - - -	4,131,535	5,684,549
Income taxes - - - - -	1,220,196	1,795,855
Net operating income - - - - -	<u>2,911,339</u>	<u>3,888,694</u>
Profit on sale of securities (note 6) - - - - -	1,366,858	401,366
Profit on sale of non-Canadian agencies - - - - -		61,529
Net income for the year - - - - -	<u>\$ 4,278,197</u>	<u>\$ 4,351,589</u>
Earnings per common share based on full conversion of preference shares		
Net operating income - - - - -	\$.86	\$1.16
Profit on sale of securities - - - - -	.42	.13
Profit on sale of non-Canadian agencies - - - - -		.02
Net income for the year - - - - -	<u>\$1.28</u>	<u>\$1.31</u>

Consolidated Balance Sheet - December 31, 1973

(with comparative figures at December 31, 1972)

ASSETS	1973	1972
Cash - - - - -		\$ 981,613
Short term investments - - - - -	\$ 4,020,000	2,785,000
Bonds and debentures - - - - -	64,844,490	58,289,808
Preferred stock - - - - -	13,405,389	12,550,907
Common stock - - - - -	39,324,631	35,033,353
First mortgages on real estate - - - - -	78,657,259	71,543,716
Real estate (less depreciation) - - - - -	5,574,560	5,622,938
Loans on policies - - - - -	9,621,826	9,151,477
Premiums in the course of collection - - - - -	8,196,413	7,105,617
Investment income due and accrued - - - - -	2,198,472	1,951,572
Segregated investment funds - - - - -	8,701,490	7,043,958
Income taxes recoverable - - - - -	239,384	
Due from reinsurers and others - - - - -	89,421	153,615
Other assets - - - - -	52,744	105,494
	<u>\$234,926,079</u>	<u>\$212,319,068</u>

Auditors' Report

TO THE SHAREHOLDERS OF E-L FINANCIAL CORPORATION LIMITED

We have examined the consolidated balance sheet of E-L Financial Corporation Limited and subsidiary companies as at December 31, 1973 and the consolidated statements of income, shareholders' equity in surplus and source and use of funds for the year then ended. Our examination of the financial statements of E-L Financial Corporation Limited and those subsidiaries of which we are the auditors included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the reports of the auditors who have examined the financial statements of the other subsidiaries. The policy reserves and certain other liabilities to policyholders were determined and certified by the subsidiary companies' actuaries.

In our opinion, based on our examination and the certificates of the subsidiary companies' actuaries, these consolidated financial statements present fairly the financial position of the companies as at December 31, 1973 and the results of their operations and the source and use of their funds for the year then ended, in accordance with accounting principles as set out in note 1 applied on a basis consistent with that of the preceding year.

Toronto, Canada
February 1, 1974

THORNE GUNN & Co.
Chartered Accountants

LIABILITIES	1973	1972
Policy reserves - - - - -	\$133,780,980	\$122,361,973
Unearned premium reserve - - - - -	17,901,155	16,401,414
Provision for unpaid and unreported claims - - - - -	23,208,976	19,876,781
Staff pension fund - - - - -	5,638,151	5,119,620
Amounts left with company at interest - - - - -	4,255,456	3,595,269
Outstanding cheques and bank advances - - - - -	237,053	
Premium and other taxes payable - - - - -	436,099	613,793
Due to reinsurers and others - - - - -	1,188,171	1,231,366
Amounts received, not yet allocated - - - - -	906,444	768,603
Segregated investment funds (note 3) - - - - -	8,701,490	7,043,958
Provision for profits to policyholders - - - - -	3,033,880	2,933,880
Dividends payable - - - - -	75,467	75,539
Participating policyholders' equity in surplus - - - - -	139,563	782,837
	<u>199,502,885</u>	<u>180,805,033</u>
Minority interest - - - - -	<u>716,654</u>	<u>690,052</u>
SHAREHOLDERS' EQUITY		
Capital stock, fully paid (note 4) - - - - -	1,773,068	1,772,672
Contributed surplus arising from issue of shares		
at a premium - - - - -	40,766	40,766
General reserve for investments and contingencies - - -	5,280,712	5,280,712
Surplus - - - - -	27,611,994	23,729,833
	<u>34,706,540</u>	<u>30,823,983</u>
	<u>\$234,926,079</u>	<u>\$212,319,068</u>

Approved by the Board

Hal N. R. Jackman, Director

P. S. Gooderham, Director

Consolidated Statement of Shareholders' Equity in Surplus

YEAR ENDED DECEMBER 31, 1973

(with comparative figures for 1972)

	1973	1972
Shareholders' equity in surplus at beginning of year - - -	\$23,729,833	\$20,629,716
Add		
Net income for the year - - - - - - - - - -	4,278,197	4,351,589
Increase in shareholders' equity on purchase of additional shares - - - - - - - - - -	12,162	12,630
	<u>28,020,192</u>	<u>24,993,935</u>
Deduct		
Dividends - - - - - - - - - -	408,198	408,197
Transfer to general reserve for investments and contingencies - - - - - - - - - -		694,984
Adjustment re sale of non-Canadian agencies - - - -		160,921
	<u>408,198</u>	<u>1,264,102</u>
Shareholders' equity in surplus at end of year - - - - -	<u>\$27,611,994</u>	<u>\$23,729,833</u>

Consolidated Statement of Source and Use of Funds

YEAR ENDED DECEMBER 31, 1973

(with comparative figures for 1972)

	1973	1972
Source of funds		
Net income for the year - - - - -	\$ 4,278,197	\$ 4,351,589
Add non-cash charges		
Policyholders' and minority shareholders' portion of income or loss, after dividends to policyholders - -	(591,943)	(279,113)
Increase in policy and unearned premium reserves - -	12,948,655	11,413,304
Increase in staff pension fund - - - - -	518,531	170,584
Increase in provision for profits to policyholders - - -	100,000	17,907
Increase in provision for unpaid and unreported claims -	3,332,195	1,469,667
Depreciation and amortization - - - - -	100,701	185,325
	<u>20,686,336</u>	<u>17,329,263</u>
Increase in amounts left with company at interest - - -	660,187	553,524
	<u>\$21,346,523</u>	<u>\$17,882,787</u>
Use of funds		
Increase in securities - - - - -	\$11,700,442	\$13,692,508
Increase in first mortgages on real estate - - - - -	7,113,543	2,192,261
Increase in premiums in the course of collection - - - -	1,090,796	824,938
Increase in cash and short term investments - - - - -	16,334	141,844
Dividends - - - - -	408,198	408,197
Increase in loans on policies - - - - -	470,349	98,089
Decrease in premium and other taxes payable - - - - -	417,078	164,394
Purchase of shares in subsidiary companies for cash - - -	31,540	19,923
Decrease in policy reserves and participating policyholders' equity in surplus and general reserve for investments and contingencies on sale of non-Canadian agencies - - -		289,964
Other items (net) - - - - -	98,243	50,669
	<u>\$21,346,523</u>	<u>\$17,882,787</u>

Notes to Consolidated Financial Statements DECEMBER 31, 1973

1. BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of the following subsidiary companies:

E-L Investment Management Limited (wholly owned)

The Empire Life Insurance Company

The Dominion of Canada General Insurance Company and its subsidiary company, The Casualty Company of Canada

The consolidated financial statements are prepared on a pooling of interests basis. Surpluses, reserves and balance of revenue have been computed after giving effect to the minority interest in the shares of Empire (5.01%) and Dominion (0.89%) outstanding at December 31, 1973.

The financial statements are prepared essentially in accordance with accounting practices prescribed, authorized or permitted by the regulations governing insurance companies for insurance company annual statements, except for modifications principally as to classification and format for the purpose of clarifying the interest of the holding company. However, in certain respects as indicated below in (a) to (d) they are not in conformity with generally accepted accounting principles applicable to companies engaged in other industries.

- (a) Commissions and other acquisition costs relating to acquiring new business are charged to operations in the year incurred. Some allowance is made for amortizing part of these costs by use of the Canadian Modified method of computing actuarial policy reserves but this does not give full effect to the amortization of these costs over the term of the policies. The result is to penalize gain from operations in a period of business growth and to improve gain from operations in a period of decline.

Notes to Consolidated Financial Statements DECEMBER 31, 1973

1. BASIS OF CONSOLIDATION (CONTINUED)

- (b) Agents' debit balances, office furniture and certain relatively minor other assets are also excluded from the balance sheet.
- (c) Life insurance and annuity reserves are computed on the basis of mortality and interest factors permissible by the respective regulations governing insurance companies and are in excess of those that could be computed on the basis of the companies' past experience.
- (d) Twenty percent of the unearned general insurance premiums at the end of each year are included in income as an offset to the costs related to the acquisition of these premiums. This percentage is the maximum permitted by insurance regulations. Dominion's actual acquisition costs have been consistently in excess of this proportion of premium income. Accordingly, this statutory limitation tends to have an adverse effect on reported earnings in a period of premium growth and, conversely, a favourable effect in periods when premium income is declining.

2. VALUATION OF INVESTED ASSETS

The basis of valuation of invested assets other than the segregated investment fund is cost or amortized value, less amounts written off from time to time, and the resulting book values are not in excess of the values authorized by the Association of Superintendents of Insurance of the Provinces of Canada. The segregated investment fund is shown at quoted market value.

3. SEGREGATED INVESTMENT FUNDS

	1973	1972
Amount pertaining to staff pension fund - - - - -	\$1,123,772	\$1,049,075
Policyholders' portion - - - - -	7,248,068	5,641,894
Amount pertaining to shareholders' surplus including minority shareholders' portion \$11,513 (1972—\$12,557) - - - - -	329,650	352,989
	<u>\$8,701,490</u>	<u>\$7,043,958</u>

Included in investment income are unrealized losses on securities of \$533,032 (1972—unrealized profits of \$1,245,650) pertaining to segregated investment funds.

4. CAPITAL STOCK

	1973	1972
Authorized		
4,999,925 Preference shares, without par value, issuable in series		
10,000,000 Common shares, without par value		
Issued		
597,471 Series A convertible preference shares - - - - -	\$1,773,068	\$1,772,672
2,736,567 (1972, 2,736,534) Common shares - - - - -		

The Series A convertible preference shares are convertible into common shares on a share for share basis.

Shares and warrants issued

1973	33 Common shares at \$12 per share resulting from the exercise of 33 warrants
1972	2,000 Common shares at \$10 per share in part payment for investment counselling firm
	700 Common shares, 300 Series A convertible preference shares and 100 Share purchase warrants in consideration for 100 shares of The Dominion of Canada General Insurance Company

Share purchase warrants

531,478.5 warrants to purchase 531,478.5 common shares of the company at \$12 per share exercisable until December 22, 1978 are outstanding at December 31, 1973 (531,511.5 warrants were outstanding at December 31, 1972).

5. SHAREHOLDERS' EQUITY IN SURPLUS

Under Empire Life's charter shareholders are entitled to all the profits from the non-participating policies and that portion of the profit on the participating policies equal to one-ninth of the amount paid to policyholders as dividends. For the years 1966 to 1973 an amount equal to one-ninth of the amount paid and provided for policy dividends on participating policies has been transferred from the surplus attributable to participating policies to shareholders' surplus. A lesser amount was transferred in earlier years. These amounts plus the shareholders' interest in investment income together with all the profit on Empire Life's non-participating policies make up the amount transferred to surplus each year.

6. PROFIT ON SALE OF SECURITIES

	1973	1972
Shareholders' portion - - - - -	\$1,366,858	\$401,366
Participating policyholders' portion - - - - -	221,229	22,287
Minority interest - - - - -	25,426	4,841
	<u>\$1,613,513</u>	<u>\$428,494</u>

The 1973 amounts for shareholders and minority interest are after deducting income taxes of \$150,200 and \$3,796 respectively.

7. OTHER STATUTORY INFORMATION

	1973	1972
Remuneration of directors and senior officers of the company - - - - -	\$171,573	\$199,336
Depreciation and amortization - - - - -	100,701	185,325

8. COMPARATIVE FIGURES

The 1972 comparative figures have been reclassified to reflect the basis of financial statement presentation adopted for 1973.

Summary of Consolidated Results

(all figures expressed in thousands of dollars)

	1973	1972	1971	1970	1969
PREMIUM INCOME - - - - -	\$ 67,732	\$ 57,570	\$ 52,409	\$ 48,024	\$ 41,256
INVESTMENT AND OTHER INCOME - -	13,489	11,948	10,599	9,613	8,710
TOTAL REVENUES - - - - -	81,221	69,518	63,008	57,637	49,966
Claims and Other Benefits to Policyholders	39,554	32,071	28,772	25,684	24,018
Increase in Policyholders' Reserves - - -	15,160	12,354	12,664	11,981	7,633
Expenses (including agents' Commissions)	20,895	17,551	15,930	14,769	13,630
Taxes paid to Governments - - - - -	2,566	3,032	2,585	1,814	1,574
Profits paid or allocated to Policyholders -	135	621	862	1,176	1,484
NET OPERATING PROFIT - - - - -	2,911	3,889	2,195	2,213	1,627
Net Realized gains on security transactions and other extraordinary items - - - - -	1,367	463	309	393	405
TOTAL NET PROFIT - - - - -	\$ 4,278	\$ 4,352	\$ 2,504	\$ 2,606	\$ 2,032
NET INCOME					
per share (net operating income) - - -	.86	1.16	.66	.66	.49
per share (including capital gains and extraordinary items) - - - - -	1.28	1.31	.75	.78	.61
ASSETS					
Cash and Short Term Investments - - -	\$ 4,020	\$ 3,767	\$ 3,683	\$ 4,926	\$ 3,619
Bonds and Debentures - - - - -	64,845	58,290	52,215	45,388	43,417
Preferred and Common Stocks - - - - -	52,730	47,584	39,967	34,826	28,958
First Mortgages on Real Estate - - - - -	78,657	71,544	69,352	67,137	62,909
Real Estate - - - - -	5,575	5,623	5,723	5,759	5,808
Loans on Policies - - - - -	9,622	9,151	9,053	9,104	7,873
Segregated Equity Funds - - - - -	8,701	7,044	4,744	3,332	2,576
Other Assets - - - - -	10,776	9,316	8,126	7,731	6,627
TOTAL ASSETS - - - - -	\$234,926	\$212,319	\$192,863	\$178,203	\$161,787
LIABILITIES					
*Policy and Unearned Premium Reserves -	\$166,022	\$150,927	\$137,333	\$125,370	\$113,428
Reserve for Claims - - - - -	23,209	19,877	18,407	17,008	16,844
Other Liabilities - - - - -	7,815	6,974	6,215	6,845	6,134
Policyholders' Equity in Surplus - - - -	3,173	3,717	3,901	4,324	3,934
TOTAL LIABILITIES - - - - -	200,219	181,495	165,856	153,547	140,340
SHAREHOLDERS' EQUITY - - - - -	34,707	30,824	27,007	24,656	21,447
	\$234,926	\$212,319	\$192,863	\$178,203	\$161,787

*including staff pension and segregated funds

Summary of General Insurance Operations

(all figures expressed in thousands of dollars)

	1973	1972	1971	1970	1969
NET PREMIUMS WRITTEN					
Automobile - - - - -	\$ 28,098	\$ 24,838	\$ 21,620	\$ 18,351	\$ 15,619
Casualty - - - - -	5,770	5,199	4,419	3,699	3,248
Fire - - - - -	6,225	5,652	5,025	4,171	3,803
TOTAL NET PREMIUMS WRITTEN - - -	\$ 40,093	\$ 35,689	\$ 31,064	\$ 26,221	\$ 22,670
NET PREMIUMS EARNED - - - - -					
Claims Incurred - - - - -	26,402	21,016	18,461	15,579	13,914
Operating Expenditures including Commis- sions and Premium Taxes - - - - -	12,324	11,079	9,748	8,680	7,779
UNDERWRITING PROFIT - - - - -	\$ (133)	\$ 1,459	\$ 1,219	\$ 555	\$ 219
Investment Income - - - - -	2,706	2,329	1,992	1,905	1,623
NET PROFIT BEFORE TAXES - - - - -	\$ 2,573	\$ 3,788	\$ 3,211	\$ 2,460	\$ 1,842
Income Taxes - - - - -	390	1,017	906	654	456
NET OPERATING PROFIT - - - - -	\$ 2,183	\$ 2,771	\$ 2,305	\$ 1,806	\$ 1,386
Claims Ratio (to net premiums earned) - - %					
	68.4	62.6	62.7	62.8	63.5
Expense Ratio (to net premiums written) - -					
	30.7	31.0	31.4	33.1	34.3
	% 99.1	% 93.6	% 94.1	% 95.9	% 97.8
ASSETS					
Cash and Short Term Investments - - -	\$ 2,886	\$ 3,447	\$ 3,029	\$ 3,251	\$ 3,524
Bonds and Debentures - - - - -	20,935	16,924	15,046	13,606	12,199
Preferred and Common Stocks - - - - -	27,541	25,039	21,764	19,079	16,264
First Mortgages - - - - -	919	990	936	1,012	1,043
Real Estate - - - - -	2,493	2,439	2,471	2,504	2,537
Amounts Receivable - - - - -	8,048	6,989	6,119	5,622	4,547
TOTAL ASSETS - - - - -	\$ 62,822	\$ 55,828	\$ 49,365	\$ 45,074	\$ 40,114
LIABILITIES					
Unearned Premium Reserve - - - - -	\$ 17,901	\$ 16,401	\$ 14,267	\$ 12,632	\$ 11,224
Reserve for Claims - - - - -	20,552	17,681	16,014	14,645	14,785
Other Liabilities - - - - -	1,100	1,499	1,416	2,355	1,114
TOTAL LIABILITIES - - - - -	\$ 39,553	\$ 35,581	\$ 31,697	\$ 29,632	\$ 27,123
CAPITAL, SURPLUS AND CONTINGENCY RESERVES - - - - -					
	23,269	20,247	17,668	15,442	12,991
	\$ 62,822	\$ 55,828	\$ 49,365	\$ 45,074	\$ 40,114

Summary of Life Insurance Operations

(all figures expressed in thousands of dollars)

	1973	1972	1971	1970	1969
PREMIUM INCOME (NET OF REINSURANCE) - - - - -	\$ 27,639	\$ 21,881	\$ 21,322	\$ 21,803	\$ 18,586
Investment and Other Income - -	10,576	9,365	8,499	7,638	7,049
TOTAL REVENUES - - - - -	\$ 38,215	\$ 31,246	\$ 29,821	\$ 29,441	\$ 25,635
Claims and Other Benefits to Policyholders - - - - -	\$ 13,152	\$ 10,541	\$ 10,310	\$ 10,105	\$ 10,104
Increase in Policy Reserves - -	11,449	9,279	10,008	9,555	5,461
Operating Expenses (including Agents' Commissions) - - -	9,414	7,351	6,827	6,589	6,344
Taxes Paid to Governments - -	1,171	1,002	927	531	564
Premiums transferred to Segregated Funds - - - - -	2,211	1,228	1,006	1,019	1,414
Profits Paid or allocated to Policyholders - - - - -	80	733	837	1,143	1,458
NET OPERATING PROFIT - - -	\$ 738	\$ 1,112	\$ (94)	\$ 499	\$ 290
ASSETS					
Cash and Short Term Investments -	\$ 159	\$ (232)	\$ 300	\$ 1,483	\$ 87
Bonds and Debentures - - - -	43,910	41,366	37,169	31,782	31,218
Preferred and Common Stocks -	25,130	22,526	18,203	15,747	12,693
First Mortgages - - - - -	77,738	70,554	68,415	66,125	61,866
Real Estate - - - - -	3,082	3,184	3,252	3,254	3,270
Loans on Policies - - - - -	9,622	9,151	9,053	9,104	7,873
Segregated Equity Funds - - -	8,702	7,044	4,744	3,332	2,576
Other Assets - - - - -	2,720	2,327	1,996	2,083	1,967
TOTAL ASSETS - - - - -	\$ 171,063	\$ 155,920	\$ 143,132	\$ 132,910	\$ 121,550
LIABILITIES					
Policy Reserves - - - - -	\$ 133,780	\$ 122,362	\$ 113,373	\$ 104,763	\$ 95,279
Amounts left with Company at interest - - - - -	4,255	3,595	3,042	2,679	3,094
Reserve for Claims - - - - -	2,657	2,196	2,393	2,363	2,059
Staff Pension Fund - - - - -	5,638	5,120	4,949	4,644	4,349
Segregated Equity Funds - - -	8,702	7,044	4,744	3,331	2,576
Other Liabilities - - - - -	1,572	1,452	1,365	1,371	1,538
Policyholders' Equity in surplus -	3,173	4,150	4,302	4,754	4,330
TOTAL LIABILITIES AND POLICYHOLDERS' EQUITY - -	\$ 159,777	\$ 145,919	\$ 134,168	\$ 123,905	\$ 113,225
CAPITAL, SURPLUS AND CONTINGENCY RESERVES - -	11,286	10,001	8,964	9,005	8,325
	\$ 171,063	\$ 155,920	\$ 143,132	\$ 132,910	\$ 121,550
NET INTEREST EARNED - - -	% 6.89	% 6.75	% 6.58	% 6.36	% 6.35
BUSINESS IN FORCE					
Individual Lives					
Whole Life and Endowment - -	\$ 501,681	\$ 465,209	\$ 440,786	\$ 421,936	\$ 410,373
Term Insurance - - - - -	393,681	365,436	339,305	327,169	309,119
Annuities - - - - -	63,632	40,757	25,965	19,950	13,998
Health Insurance - - - - -	3,520	3,718	4,104	4,087	4,375
"Equity" Insurance and Annuities - - - - -	32,145	26,421	25,471	22,520	19,361
	\$ 994,659	\$ 901,541	\$ 835,631	\$ 795,662	\$ 757,226
Group					
Life Insurance - - - - -	\$ 426,174	\$ 343,653	\$ 312,924	\$ 295,217	\$ 264,476
Annuities - - - - -	130,497	79,069	60,211	54,782	46,349
Health Insurance - - - - -	86,234	72,738	96,741	92,495	87,484
	\$ 642,905	\$ 495,460	\$ 469,876	\$ 442,494	\$ 398,309
TOTAL BUSINESS IN FORCE - -	\$1,637,564	\$1,397,001	\$1,305,507	\$1,238,156	\$1,155,535

NOTE—Volume figures for Life Insurance in Force are expressed net of reinsurance ceded.



Officers and Administrative Staff

CHAIRMAN OF THE BOARD	- - - - -	HAL N. R. JACKMAN
PRESIDENT	- - - - -	J. S. M. WASON, F.F.A., F.C.I.A., A.S.A.
VICE-PRESIDENT AND ACTUARY	- - - - -	W. H. AITKEN, F.S.A., F.C.I.A.
VICE-PRESIDENT AND SECRETARY	- - - - -	E. W. KAITTING, F.L.M.I., F.E.A.A.
VICE-PRESIDENT, COMPUTER SERVICES	- - - - -	R. BALTRUWEIT, F.L.M.I.
VICE-PRESIDENT, MARKETING SERVICES	- - - - -	G. D. De Ré, C.L.U.
VICE-PRESIDENT, BRANCH DEVELOPMENT	- - - - -	W. H. MERRIAM, C.L.U.
VICE-PRESIDENT, GROUP	- - - - -	R. E. SMART, F.S.A., F.C.I.A.
EXECUTIVE ASSISTANT, SECURITIES	- - - - -	A. G. DRAGONE
		Vice-President, E-L Investment Management
MORTGAGE OFFICER	- - - - -	J. M. McINNIS, F.L.M.I.
MEDICAL OFFICER	- - - - -	J. N. CHESEBROUGH, M.D.
PURCHASING AGENT	- - - - -	E. FROST
SUPERINTENDENT, GROUP	- - - - -	D. E. SCHLICHTER, C.L.U.
SUPERINTENDENT, BRANCH DEVELOPMENT	- - - - -	J. A. G. LITALIEN
SUPERINTENDENT, BRANCH DEVELOPMENT	- - - - -	R. H. DYCK
ASSOCIATE SUPERINTENDENT, SALES TRAINING	- - - - -	R. W. TAYLOR, C.L.U.
ASSOCIATE ACTUARY	- - - - -	L. N. TAYLOR, F.I.A., F.C.I.A.
ASSISTANT ACTUARY	- - - - -	B. L. MATCHETT, F.S.A., F.C.I.A.

Managers

BRANCH OFFICES	Vancouver Bayshore	- - -	1520 West Georgia Street	- - -	R. M. Castner, C.L.U.
	Vancouver Fairmont	- - -	2525 Willow Street	- - -	A. J. Bartlett, C.L.U.
	Edmonton	- - -	802 Royal Bank Building	- - -	E. Newman, C.L.U.
	Calgary North	- - -	1632-14th Avenue, N.W.	- - -	D. A. Wight, C.L.U.
	Calgary Chinook	- - -	202 Chinook Professional Building	- - -	D. E. Fox
	Winnipeg	- - -	491 Portage Avenue	- - -	R. H. Little
	Hamilton	- - -	135 James Street South	- - -	M. G. Flaherty, C.L.U.
	Kitchener	- - -	305 King Street West	- - -	G. A. Robbins, C.L.U.
	St. Catharines	- - -	205 King Street	- - -	S. B. Kelly, C.L.U.
	Kingston (St. Lawrence)	- - -	11 Princess Street	- - -	C. J. Lawlor, C.L.U.
	London	- - -	200 Queen's Avenue	- - -	M. B. Maddigan, C.L.U.
	Ottawa	- - -	120 Holland Avenue	- - -	D. G. Fairweather
	Toronto Centre	- - -	2200 Yonge Street	- - -	J. E. McKenna
	Toronto Don	- - -	201 Consumers Road	- - -	R. G. Ness
	Toronto West	- - -	100 Dixie Plaza, Mississauga	- - -	G. H. Rott
	Toronto East	- - -	3495 Lawrence Ave., East (Scarborough)	- - -	L. G. Ayles
	Toronto Bathurst	- - -	3101 Bathurst Street	- - -	J. H. Green
	Toronto Bayview	- - -	2901 Bayview Ave., Willowdale	- - -	J. H. Mosoff
	Windsor	- - -	660 Ouellette Avenue	- - -	R. S. Miles
	Montreal West	- - -	16 Westminster Avenue, N.	- - -	G. Goguen
	Montreal Centre	- - -	1712 Place Ville Marie	- - -	G. H. Laurendeau, C.L.U.
	Montreal St. Laurent	- - -	750 Laurentian Blvd.	- - -	G. E. Ouwendyk, C.L.U.
	Quebec City	- - -	2700 Boul. Laurier	- - -	J. M. Voyer
	Sherbrooke	- - -	2851 King Street West	- - -	G. Légaré
	Trois-Rivières	- - -	1683 Royale rue	- - -	J. Dupuis, C.L.U.
	Charlottetown	- - -	152 Kent Street	- - -	W. B. MacDonald

GROUP OFFICES	Vancouver, B.C.	- - -	2525 Willow Street	- - -	A. M. Coyne
	Edmonton, Alta.	- - -	802 Royal Bank Building	- - -	R. J. O'Shaughnessy
	Toronto, Ont.	- - -	797 Don Mills Road, Don Mills (6th floor)	- - -	M. R. Coffey
	Montreal, Que.	- - -	1711 Place Ville Marie	- - -	A. Vezina

AGENCIES	Saskatoon, Sask.	- - -	833 Ave. "V" North	- - -	Empire Agencies Limited
	Sault Ste. Marie, Ont.	- - -	224 Queen Street E.	- - -	A. A. Biagini
	Toronto, Ont.	- - -	223 Church Street	- - -	Canadian Insurance Services Limited

ESTATE ANALYSIS	Kingston, Ont.	- - -	243 King Street East	- - -	C. E. Allen, C.L.U.
	Montreal, Que.	- - -	1295 Place du Canada	- - -	J. J. DeSerres, C.L.U.

MASS MARKETING	Toronto, Ont.	- - -	2180 Yonge Street	- - -	R. Rastrick
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THE DOMINION OF CANADA GENERAL INSURANCE COMPANY



CHAIRMAN OF THE BOARD - - - - -	PETER S. GOODERHAM
VICE-CHAIRMAN OF THE BOARD - - - - -	HAL N. R. JACKMAN
PRESIDENT AND MANAGING DIRECTOR, GENERAL INSURANCE - - - - -	KENNETH G. HUTCHISON
MANAGING DIRECTOR, LIFE INSURANCE AND ACTUARY - - - - -	J. STUART M. WASON, F.F.A., F.C.I.A., A.S.A.

GENERAL INSURANCE OFFICIALS

GENERAL MANAGER - - - - -	F. G. ELLIOTT, F.I.I.C.
ASSISTANT GENERAL MANAGER - - - - -	S. J. DAVIDSON, F.I.I.C.
ACCOUNTS - - - - -	F. H. CLEMENT, <i>Manager</i>
ADMINISTRATIVE SERVICES - - - - -	W. A. HORNE, A.I.I.A., <i>Manager</i>
AGENCY - - - - -	A. R. PETRIE, F.I.I.C., <i>Manager</i>
AUTOMOBILE - - - - -	H. B. BARNES, <i>Manager</i>
CASUALTY - - - - -	R. L. SEWELL, F.I.I.C., <i>Manager</i>
CLAIMS - - - - -	G. F. CONNOR, <i>Manager</i>
DATA PROCESSING - - - - -	B. A. EDGAR, F.I.I.C., F.L.M.I., <i>Manager</i>
FIRE - - - - -	J. N. HEPBURN, <i>Manager</i>
INVESTMENT - - - - -	B. E. PURVIS
PERSONNEL - - - - -	G. J. JACKSON, F.I.I.C., <i>Manager</i>
PREMISES AND PURCHASING - - - - -	L. H. TEMPLE, <i>Manager</i>
SECRETARY - - - - -	F. G. ELLIOTT, F.I.I.C.

Branch Manager

GENERAL INSURANCE BRANCH OFFICES

Alberta - - - - -	540-12th Avenue S.W., Calgary - - - - -	G. P. CRAW, F.I.I.C.
British Columbia - - - - -	1309 West Pender Street, Vancouver - - - - -	J. H. GLAVIN, A.I.I.C.
Eastern Ontario - - - - -	151 Slater Street, Ottawa - - - - -	D. A. WAUGH, A.I.I.C.
Metropolitan Toronto - - - - -	250 University Avenue, Toronto - - - - -	R. H. LOUGHEED
Mid-West - - - - -	209 Notre Dame Avenue, Winnipeg - - - - -	M. E. RICHARDSON, F.I.I.C.
Quebec - - - - -	1080 Beaver Hall Hill, Montreal - - - - -	W. J. GREEN, F.I.I.C.

GENERAL INSURANCE ONTARIO SERVICE OFFICES

Barrie - - - - -	34 Clapperton Street
Central Ontario - - - - -	165 University Avenue, Toronto
Chatham - - - - -	143 Wellington Street West
Cornwall - - - - -	12A Second Street West
Hamilton - - - - -	135 James Street South
Kitchener - - - - -	678 Belmont Avenue West
London - - - - -	361 Richmond Street
Owen Sound - - - - -	291-9th Street East
St. Catharines - - - - -	195 King Street
Thunder Bay - - - - -	200 South Syndicate Avenue
Windsor - - - - -	374 Ouellette Avenue

LIFE INSURANCE OFFICIALS

MANAGING DIRECTOR AND ACTUARY - - - - -	J. S. M. WASON, F.F.A., F.C.I.A., A.S.A.
ASSISTANT GENERAL MANAGER, MARKETING - - - - -	D. C. TOWNSEND, B.Sc., F.S.A., F.C.I.A.
ASSISTANT GENERAL MANAGER, SERVICES - - - - -	C. H. McELVAINE, F.S.A., F.C.I.A.
CONSUMER RELATIONS AND MARKETING SERVICES - - - - -	S. J. HARRIS, C.L.U., <i>Superintendent</i>
ADMINISTRATION - - - - -	A. L. FARLEY, F.L.M.I., <i>Executive Assistant</i>
ACCOUNTS - - - - -	R. W. VALLAT, F.L.M.I., <i>Manager</i>
AGENCIES SERVICE—ONTARIO - - - - -	K. A. PETTY
DATA PROCESSING - - - - -	B. A. EDGAR, F.I.I.C., F.L.M.I., <i>Manager</i>
INVESTMENT - - - - -	B. E. PURVIS
MEDICAL - - - - -	D. B. CAMPBELL, M.D., <i>Medical Director</i>
PERSONNEL - - - - -	G. J. JACKSON, F.I.I.C., <i>Manager</i>
PREMISES AND PURCHASING - - - - -	L. H. TEMPLE, <i>Manager</i>
SECRETARY - - - - -	F. G. ELLIOTT, F.I.I.C.

LIFE INSURANCE BRANCH OFFICES

Calgary - - - - -	540-12th Avenue S.W. - - - - -	F. M. JAMES, C.L.U.
Hamilton - - - - -	25 Main Street West - - - - -	R. REICHERTZ
Montreal Provincial - - - - -	50 Cr��mazie Boulevard West - - - - -	L. H. LARAM��E
Ottawa - - - - -	151 Slater Street - - - - -	G. H. HOWE, C.L.U.
Toronto Metro - - - - -	2 Carlton Street - - - - -	C. F. WOODWARD, C.L.U.
Vancouver - - - - -	1055 West Hastings - - - - -	L. GARRISON, C.L.U.

